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FOREIGN CROPS AND MARKETS

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GRAIN TRADE NOTES

Uruguayan Wheat Surplus Earmarked for Brazil: An agreement was signed by Uruguay and Brazil during the first week of October under which Uruguay agreed to give priority to Brazil for the sale of its entire 1953-54 wheat surplus, estimated at 200,000 metric tons. The agreement also included the immediate purchase by Brazil of 80,000 metric tons of flour at $132.00 per ton f.a.s. Uruguayan port.

Sweden's 1953-54 Grain Export Availabilities: Sweden's 1953-54 exportable surpluses of grain, after making allowance for normal carry-overs, with comparisons for 1952-53 shown in parentheses, are now estimated in metric tons as follows: wheat, 330,000 (159,700) tons; rye, 130,000 (11,100) tons; barley, 50,000 (38,200) tons; and oats 20,000 (10,900) tons.

Denmark To Get Russian Wheat: The quantity of wheat to be delivered to Denmark by Russia during 1953-54 under the terms of the trade agreement signed by those 2 countries on July 17, 1953, is 50,000 metric tons. Denmark's total imports during 1952-53 amounted to 72,045 tons of wheat and 9,160 tons of flour, virtually all from Canada and the United States.

Compromise Reached on Australian Wheat Stabilization: Late in September the States of New South Wales, South Australia and Western Australia agreed to a pooling of their export wheat and to a uniform domestic price of 14s. ($1.56) per bushel. On October 6 and 7, the State Governments of Victoria and Queensland also agreed to the 14s price for wheat sold domestically. Tasmania had previously indicated that such a price would be satisfactory. This last-minute agreement, reached a full week after the Wheat Board's authority to accept wheat had expired, ensures the enactment of legislation authorizing the Board to handle the 1953-54 crop including the making of local and export sales.

India Permits Wheat Flour Exports: The Government of India is permitting exports of wheat flour for the first time in 12 years. In order to export, however, flour mills must use government wheat stocks and replenish those stocks later from private imports. The cost to the mills of government held wheat is currently (early in October) below the prevailing replacement price. Several consignments of wheat flour have already been shipped to Burma and the Persian Gulf area. Reports indicate that the Government hopes to regain prewar markets in the Persian Gulf area and in Burma, Thailand and Hong Kong.

Turkey's Grain Exports First Quarter of 1953-54: Exports of grain from Turkey during the first 3 months (July, August and September) of 1953-54, with corresponding figures for the same period in 1952-53 shown in parentheses, were as follows: wheat, 103,212 (168,938) metric tons; barley, none (19,614); rye, none (20,300); corn, 300 (300). Of the 103,212 tons of wheat exported during the first quarter of 1953-54, Spain took 86,984 tons; Greece 10,376 tons; Israel 4,450 tons; Japan 1,100 tons; and the Netherlands 300 tons.

CUBAN DAIRY SITUATION

Milk production in Cuba for the calendar year 1953 is expected to approach 1,375 million pounds, an increase of about 15 percent over each of the 2 preceding years. The high production level is attributed largely to well-distributed rains during the first half of 1953 which caused better than normal pastures throughout the Island. Currently, all condensed milk factories appear to be operating at full capacity. Already, there is a surplus of milk and it is reported that in various rural areas where marketing and canning facilities are inadequate, farmers are often finding it necessary to dispose of their milk by feeding it to stock, or in some instances, by dumping it.

A further increase in milk production is expected in 1954 when a fair proportion of the estimated 1.4 million acres now being released gradually from the cultivation of sugar cane as the result of the crop curtailment program, will probably revert to pasture.

Production of all dairy products, with the exception of dried milk, is expected to be larger in 1953, reflecting the excellent pasture conditions. An estimated 3.9 million pounds of butter and 5.7 million pounds of cheese will be produced this year. This represents an increase of 20 percent and 11 percent, respectively. No estimate has been made for canned milk production in 1953. However, the 1952-53 output of condensed milk totaled 64 million pounds as compared to 59 million pounds in 1951-52. In addition, some increased activity in evaporated milk production occurred during the recent fiscal year when output reached about 17 million pounds. Dried milk production in calendar 1953 probably will decline to about 38 percent of 1952 output, or approximately the 1951 level.

Cuban imports of most dairy products in the first half of 1953 showed a marked decline from the comparable period of 1952. This drop is attributed (1) to increased milk production in Cuba; (2) to legislative measures restricting imports; (3) to the economic effects resulting from the 1953 sugar and molasses crop, as compared to the 2 immediately preceding years when Cuba derived the highest postwar income from sugar and molasses.

CANADA'S WHEAT FLOUR PRODUCTION LARGE

Wheat flour production in Canada for the marketing year ended July 1953 was 23.9 million barrels, according to a report of the Dominion Bureau of Statistics. That was the largest production since 1947-48 and compares with the record of 28.6 million barrels in 1946-47. The 23.9 million-barrel total was approximately 1 million barrels above the output for the preceding year. Wheat ground for flour was also above the 1951-52 total, but the increase was less than in the case of flour produced, indicating a higher extraction rate, for the 1952-53 season.

CANADA: Wheat milled, flour produced and flour exports, 1935-36 to 1952-53

Year beginning August	Wheat Milled	Flour Produced	Flour Exported 1/
	1,000 bushels	1,000 barrels	1,000 barrels
Av. 1935-39	67,845	15,003	4,900
Av. 1940-44	99,705	22,402	12,092
1945	118,075	26,435	14,470
1946	127,775	28,583	16,896
1947	109,822	24,160	13,662
1948	90,897	20,380	10,688
1949	90,083	20,259	10,151
1950	106,748	23,630	12,427
1951	104,494	22,842	11,356
1952 2/			
August	8,809	1,943	748
September	9,558	2,120	1,102
October	10,331	2,303	1,395
November	9,859	2,133	1,123
December	8,170	1,836	1,265
January	7,887	1,772	826
February	7,952	1,797	660
March	8,803	1,972	956
April	8,545	1,916	1,041
May	9,607	2,157	1,064
June	8,890	1,990	1,311
July	8,391	1,884	1,149
Total	106,802	23,873	12,640

1/ Based on customs returns. Export data through crop year 1951-52 revised to remove effect of time lag in the returns made by customs. Later figures will be revised as data become available.

2/ Data subject to revision.

From records of the Dominion Bureau of Statistics.

The largest production during the season was reported for October, when 2.3 million barrels of flour were produced from 10.3 million bushels of wheat. Flour production was at its low point of 1.8 million barrels in January of the current year. Mills reporting operated at 81.4 percent of their rated capacity for the 1952-53 year compared with 76.9 percent in 1951-52.

Based on customs returns, wheat flour exports for the season totaled 12.6 million barrels compared with the all-time record exports of 16.9 million barrels in 1946-47. At the level reported, exports were about 1.3 million barrels more than the 1951 52 movement.

Total wheat ground for flour, as reported at 106.8 million bushels, was 2.3 million bushels above the 1951-52 total and contrasts with the prewar average of 67.8 million bushels. The average extraction rate was 73 percent for the season, compared with the low rate of 71.4 percent for the previous season.

URUGUAY EXPECTS RECORD WHEAT CROP

Uruguay's wheat producers will harvest the largest crop of record, according to present estimates of the Ministry of Agriculture. The wheat acreage seeded for the harvest beginning this month is now placed at about 1.5 million acres compared with about 1.3 million acres last season. Excellent yields are forecast and a substantial export surplus is expected.

The increased acreage is attributed to the relatively high price guaranteed the producers, which has encouraged wheat seeding at the expense of other crops having a less assured future. The guaranteed price to producers is 16.50 pesos per 100 kilograms which would be the equivalent of $2.52 per bushels at the official rate of exchange. Rapid mechanization since the end of the war has also been a contributing factor, with growers thus able to utilize brief periods of favorable weather to expand seeding.

ARGENTINE SITUATION FOR FATS AND OILS 1/

Current stocks of linseed oil in Argentina may be at least 254,000 short tons, of which about 150,000 tons have been committed for export, reports W.L. Rodman, Assistant Agricultural Attache, American Embassy, Buenos Aires. Trade sources indicate that the area planted to flax for harvest beginning late in November is approximately 2.1 million acres or around 14 percent less than last year. Total production is not expected to exceed 20 million bushels. In the 1952-53 crop year, 22.4 million bushels were produced from over 2.4 million planted and 2.1 million harvested acres. The decline in seeded area this season is attributed to the relatively unattractive price paid producers as compared with prices for wheat. Exports during January-August 1953 totaled 390,057 bushels of flaxseed and 91,805 short tons of linseed oil.

Argentine tung production for 1953 is unofficially forecast at a new record of about 110,000 tons from which about 17,000 tons of oil may be extracted. The tung fruit harvest in 1952, which was greatly reduced because of heavy frosts, amounted to approximately 32,700 tons with an oil yield of about 4,950 tons. The gain this year resulted from an increase in the number of trees now of bearing age and the fact that no damage to the crop was incurred during the growing season. The supply of oil for export and carryout for October 1953-June 1954 is estimated at 22,300 tons. Total exports during January-August of this year amounted to 3,921 tons, with all but 335 tons to the United States.

1/ A more extensive statement will soon be published as a Foreign Agriculture Circular available from the Foreign Agricultural Service, U.S. Department of Agriculture, Washington 25, D.C.

There is almost no exportable surplus of edible vegetable oils. An early estimate placed the 1952-53 sunflower crop at 582,000 tons from 1.6 million harvested acres. Trade sources, however, estimate that the crop was no larger than 420,000 tons, from which an oil yield of approximately 100,000 tons was obtained. During the 1951-52 season about 174,000 tons of oil were extracted from the 694,450 tons of seed available for crushing.

The decline is attributed to unattractive prices and to lighter yields resulting from unfavorable weather. Little, if any, increase is foreseen in acreage now being planted for the 1953-54 crop, and oil production next year may again fall short of the usual domestic requirements of about 175,000 tons. Exports of sunflower seed oil through August this year have been limited to 12,719 tons, shipped chiefly to Chile as part of a 22,000-ton contract.

The 1952-53 peanut crop was officially estimated at 190,370 tons harvested from 415,870 acres. About 57,320 tons of oil were processed from the 165,345 tons of peanuts available for crushing. This compares with the 1951-52 peanut crop of 170,525 tons yielding about 49,600 tons of oil. The area of the 1953-54 crop soon to be planted is expected to be unchanged from this season.

Argentina has exported 5,512 tons of peanut oil to the Netherlands this year and reportedly has sold, but not as yet shipped, an additional 4,400 tons to Belgium and the United States. The trade does not anticipate further export sales before the year's end as IAPI is holding existing stocks for domestic use.

Commercial cottonseed production this past season is estimated at 262,350 tons of which some 240,000 tons is available for crushing. Oil production is expected to be about 24,000 tons compared with 28,660 tons from the 1951-52 crop.

The 1953 olive oil output is tentatively estimated at 3,300 tons, substantially the same as last year. Due to a profit-cost balance unfavorable to producers, there is currently no incentive for olive oil production. Nevertheless, many trees planted when the profit margin was favorable to producers will soon be of bearing age and olive production will increase accordingly.

Reduced cattle slaughter this year has resulted in only a small supply of beef fat for export. In contrast, lard output increased significantly. Production of edible and inedible beef fat in 1953 is expected to be somewhat less than 77,000 and 83,000 tons, respectively, compared with 88,000 tons each in 1952. A preliminary unofficial forecast of 1954 production shows a further decline to about 65,000 tons for edible and about this year's level for inedible. Edible mutton fat production during 1953 is estimated by the trade at 2,200 tons. Lard output this year will total approximately 19,800 tons, about 3,300 above the 1952 level. Current estimates of Argentine marine oil output are not available at this time. Total production, however, is not expected to exceed 11,000 tons.

LARGER COTTON CROP EXPECTED IN INDIA

Growing conditions for the 1953-54 cotton crop in India have been good in nearly all areas thus far this season, according to a report from V. Krishnamurthy, American Consulate General, Bombay. Private estimates of the crop now average around 3,650,000 bales (of 500 pounds gross), compared with earlier estimates averaging about 3.2 million. Picking in some areas is begun in October but generally is not done in heavy volume until December so the final outturn of the crop is still subject to the effect of subsequent changes in weather.

Cotton consumption in 1952-53 reached a record level of 3,863,000 bales (including an estimate of 220,000 bales for cottage industry consumption) but is reported to have declined in August. Sales of goods on the domestic and export markets have been lower than expected in recent months.

Actions taken recently by the government to stimulate cloth sales and relieve increasing unemployment in the mills include (a) encouragement of exports by abolishing export duty on medium cloth and granting rebate of duty on imported cotton used to make export cloth; (b) encouragement of domestic sales by lowering excise duty on superfine cloth; (c) discouragement of mill closures or shift reductions by promulgating emergency ordinance requiring owners to compensate workers for lay-offs; and (d) protection of cottage industry by levying penal fines on mills which exceed restricted quotas on production of dhotis.

Imports of cotton in 1953-54 totaled only 560,000 bales compared with 1,013,000 a year ago and an average of 864,000 for the 3 pervious years. Exceptionally heavy imports in 1951-52, together with a high level of production in 1951 and 1952 resulted in the accumulation of large stocks and a reduction in 1952-53 import requirements. Stocks were down to a more normal figure of 1,540,000 bales at the end of July 1953 but the large crop anticipated for 1953-54 and a moderate reduction expected in mill consumption may prevent any increase in imports over last year's low total. (See table page 355.)

Preliminary figures for August and September 1953 total 76,000 bales compared with 92,000 for similar months a year ago. The principal sources in 1953-54 (1952-53 figures in parentheses) are British East Africa 28,000 bales (32,000), Anglo-Egyptian Sudan 23,000 (13,000), Egypt 19,000 (25,000), United States 6,000 (22,000). Since available supplies of cotton in the foreign countries mentioned above are adequate and prices are on a competitive level with those in other countries, importers in India may be expected to again obtain most of their import requirements in 1953-54 from these sources.

INDIA: Imports of cotton by countries of origin; average 1945-49; annual 1948-52

(Equivalent bales of 500 pounds gross)

Country of origin	Year beginning August 1					
	Average 1945-49	1948	1949	1950	1951	1952
	1,000 bales	1,000 bales	1,000 bales	1,000 bales	1,000 bales	1,000 bales
Brazil	7	30	2	1/	1/	1/
Egypt	249	345	298	220	116	203
Kenya	157	100	221	177	95	193
Pakistan	2/ 132	251	25	4	3/	1/
Peru	13	22	34	10	10	4
Sudan	30	45	25	79	44	63
Tanganyika	25	19	27	16	11	7
United States	71	24	312	298	734	78
Other countries	16	3	1	3	3	12
Total	4/ 648	839	945	807	1,013	560

1/ If any, included in "Other countries." 2/ Three-year average.
3/ Less than 500 bales. 4/ Figures do not add to total because of Pakistan's three-year average.

Source: Accounts Relating to the Sea-borne Trade and Navigation of India and Foreign Service Despatches.

INDIA: Exports of cotton by countries of destination; averages 1935-39 and 1945-49; annual 1949-52

(Equivalent bales of 500 pounds gross)

Country of destination	Year beginning August 1					
	Averages		1949	1950	1951	1952
	1935-39	1945-49				
	1,000 bales	1,000 bales	1,000 bales	1,000 bales	1,000 bales	1,000 bales
Belgium	146.7	67.0	50.8	3.3	3.6	16.6
France	155.9	173.1	.8	1.6	11.1	17.6
Germany	137.9	4.5	14.5	.5	7.5	17.3
Italy	90.7	11.4	1.0	1.5	4.0	12.6
Netherlands	33.4	22.6	.9	10.2	3.4	20.2
United Kingdom	393.8	74.7	9.7	22.4	6.4	16.5
United States	76.8	90.3	60.7	60.5	9.1	35.5
Japan	1,231.5	1/ 51.0	55.7	39.7	72.0	141.7
Australia	2/ 10.0	11.7	3.6	3.8	.2	2.0
Others	3/ 382.4	61.7	7.9	2.7	5.7	9.0
Total	2,659.1	568.0	205.6	146.2	123.0	289.0

1/ Three-year average. 2/ Four-year average. 3/ China 243.7, Poland 25.2, Korea 21.4, French Indochina 18.4.

Source: Accounts Relating to the Sea-borne Trade and Navigation of India and Foreign Service Despatches.

Exports of cotton rose from 123,000 bales in 1951-52 to 289,000 in 1952-53. An initial 1953-54 export quota of 143,000 bales (175,000 Indian-size bales) of rough cotton not exceeding 11/16-inch in staple was announced on September 28, 1953. The varieties included were Bengal desi 75,000 bales (of 400 pounds gross), Mathias, Kalagins and Dholleras 50,000 bales, and C.P.I, C.P.II, and Oomra desi 50,000 bales. Exports of Assam/Comillas and Coconadas are not subject to export control. Export licenses to be issued will be valid until August 31, 1954. Licenses issued during 1952-53 (September-August) were extended to October 31, 1953.

BRAZILIAN OILSEED PRODUCTION SHOWS MARKED DECLINE 1/

Brazil's 1953 oilseed production, estimated at about 1,270,000 short tons, is almost 20 percent less than the unusually large 1952 output of 1,565,000 tons, according to Glenn A. Ruggles, Agricultural Attache, American Embassy, Rio de Janeiro. The decline is due largely to unfavorable weather and falling world prices.

BRAZIL: Production of specified oilseeds, 1953 with comparisons

(Short tons)

Commodity	Average 1935-39	1951 1/	1952 1/ 2/	1953 1/ 2/
Cottonseed	987,440	[illegible]33,400	3/ 1,038,400	3/ 720,900
Castor beans 3/	148,000	195,100	174,160	188,490
Babassu kernels	46,250	88,180	60,630	60,630
Peanuts 3/	14,760	166,450	159,830	153,220
Oiticica seed	4/ 23,900	33,070	22,050	27,560
Flaxseed 5/	-	6/ 17,640	6/ 14,330	-
Sesame seed 7/	-	5,730	1,760	1,280
Soybeans 5/	-	6/ 67,240	8/ 84,880	3/ 92,950
Tudum nuts	9/ 3,108	9,590	1,100	550
Tung fruit 3/	430	7,460	7,165	7,940
Ouricuri nuts 3/	3,540	3,090	1,320	2,200

1/ Unofficial estimates except as noted. 2/ Preliminary. 3/ Estimates of the Ministry of Agriculture. 4/ 1937-39. 5/ Official state estimates for Rio Grande do Sul. 6/ Equivalent in 1,000 bushels: 1951-630; 1952-512. 7/ Official state estimates for Sao Paulo. 8/ Equivalent in 1,000 bushels: 1951--2,241; 1952--2,829; 1953--3,086. 9/ Exports.

Compiled from official and unofficial sources.

1/ A more extensive statement will soon be published as a Foreign Agriculture Circular available from the Foreign Agricultural Service, U.S. Department of Agriculture, Washington 25, D.C.

The drought in Sao Paulo and Parana in December 1952 and January 1953 reduced the cottonseed and peanut harvests of South Brazil. Edible oil supplies during the current season thus are relatively small though larger than in 1950 and 1951 when domestic requirements could not be met. The 1951 and 1952 drought in North Brazil reduced crops in that area the past 2 years but good rains were reported in the April-July 1953 rainy season. This is reflected in a better 1953 castor bean harvest and is expected to improve the coming palm nut and seed harvest.

Oil equivalent of the 1953 estimated production is calculated at 275,575 tons, of which one-half is edible, including cottonseed, peanut, soybean and sesame oils. All these are needed to meet domestic requirements. Other oils are mainly castor and babassu. Babassu oil is now being used in Brazil but most of the castor (oil or beans) is available for export.

The smaller production and increased domestic consumption has resulted in good domestic prices for those products that could be absorbed in the domestic market. For export products, the falling world prices of vegetable oils and rapidly increasing costs in Brazil priced most Brazilian products out of world markets at the artificially low official exchange rate of 18.36 cruzeiros to one U.S. dollar.

Exports of vegetable oils and oilseeds continued to decline during the first half of 1953. Only castor oil exports were up to those of former years. Except for small quantities of soybeans and a little oiticica oil, there have been no other significant shipments since 1951.

Castor beans were priced out of world markets early this year by domestic crushers who secured preferential exchange treatment on exports of castor oil. The tight domestic supply situation in edible and soap oils and smaller harvests raised domestic prices of babassu above world levels. Reduced world demand and poor crops discouraged the harvest of tucum and oiticica, but stocks of these products are believed to exist and recent exchange concessions should move them into export markets. The export of soybeans which practically stopped in the first half of 1953 has been stimulated by exchange concessions. Exports in the last half of 1953 are reported brisk and the Brazilian Government has imposed export limitations to provide for domestic requirements.

Prospects are good for a larger harvest of vegetable oilseeds in 1954 with the possible exception of castor beans. The demand for edible oils in Brazil is strong with an apparent ready market for all that can be produced at good prices. Except for soybeans, for which processing capacity is limited, the high domestic prices and tight supply situation are expected to prevent exports of edible oils or oilseeds in the coming season.

Under the new exchange regulations castor bean exports are expected to increase and castor oil exports to decline. However, world prices are weak and export prospects for castor are the least favorable of all the vegetable oilseeds. Better cruzeiro prices and better export prospects are expected to increase tucum and oiticica harvests and increase soybean planting. This should provide greater exports of these commodities in 1954. Babassu is now all sold on the domestic market and production is unlikely to increase sufficiently for any substantial export movement.

TURKEY'S FLAXSEED, HEMPSEED EXPORTS JANUARY-JULY 1953

Turkey's exports of flaxseed and hempseed during January-July 1953 amounted to but 220 short tons (7,860 bushels) and 1,640 tons, respectively, reports Laurell L. Scranton, Agricultural Attache, American Embassy, Ankara. Foreign demand for Turkish hempseed has been particularly strong, the bulk going to Central and Eastern European countries. Exports of flaxseed in calendar year 1952 totaled 8,977 tons, about 1,300 tons less than in 1951, and only 40 percent as much as in the high export years of 1948-1950. Hempseed exports in 1952 were 2,371 tons, or about 1,300 tons more than in 1951.

Acreage and production estimates for flaxseed and hempseed are not yet available for 1953. In 1952 Turkey produced 905,000 bushels of flaxseed from 94,000 acres against 984,000 bushels from 100,000 acres in 1951. Production of hempseed in 1952 totaled 5,500 tons from 27,200 acres as compared with 4,400 tons from 27,400 acres in the preceding year.

Flax in Turkey has the appearance of being a "fill in" crop whose cultivation depends largely upon foreign market prospects for flaxseed and the weather and price outlook at seeding time. Following a period of high prices for flaxseed in 1947 and 1948, acreage was expanded. With sharply lowered prices during the past few years and increased competition of cotton in the southern and Aegean regions, acreage and production fell off. Seed prices now seem to be firming up again and with lower prices for cotton, flax production may increase. Some expansion in oil processing facilities that is being made may stimulate production for this purpose, although foreign demand for flaxseed probably will continue to be the principal determining factor.